

Senate Study Bill 1195 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to tobacco, tobacco products, alternative
2 nicotine products, vapor products, and cigarettes, including
3 reporting requirements and permit fees.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 453A.13, subsection 3, paragraphs a and
2 b, Code 2015, are amended to read as follows:

3 a. All permits provided for in this division shall expire
4 on June 30 of each year. A permit shall not be granted or
5 issued until the applicant has paid for the period ending June
6 30 next, to the department or the city or county granting
7 the permit, the fees provided for in this division. The
8 annual state permit fee for a distributor, cigarette vendor,
9 and wholesaler is ~~one~~ five hundred dollars when the permit
10 is granted during the months of July, August, or September.
11 However, whenever a state permit holder operates more than
12 one place of business, a duplicate state permit shall be
13 issued for each additional place of business on payment of
14 ~~five~~ twenty-five dollars for each duplicate state permit,
15 but refunds as provided in this division do not apply to any
16 duplicate permit issued.

17 b. The fee for retail permits is as follows when the permit
18 is granted during the months of July, August, or September:

19 (1) In places outside any city, two hundred fifty dollars.

20 (2) In cities of less than fifteen thousand population,
21 three hundred seventy-five dollars.

22 (3) In cities of fifteen thousand or more population, ~~one~~
23 five hundred dollars.

24 Sec. 2. Section 453A.15, subsection 4, Code 2015, is amended
25 to read as follows:

26 4. Every permit holder or other person shall, when requested
27 by the department, make additional reports as the department
28 deems necessary and proper and shall at the request of the
29 department furnish full and complete information pertaining to
30 any transaction of the permit holder or other person involving
31 the purchase or sale or use of cigarettes, alternative nicotine
32 products, or vapor products or purchase of cigarette stamps.
33 The director shall specifically prescribe the forms necessary
34 and require each retailer to provide on the forms prescribed
35 full and complete information pertaining to any cigarettes,

1 alternative nicotine products, or vapor products offered for
2 sale or sold by the retailer, including the type and brand of
3 the product.

4 Sec. 3. Section 453A.44, subsection 4, paragraph a, Code
5 2015, is amended to read as follows:

6 a. Each application for a distributor's license shall be
7 accompanied by a fee of ~~one~~ five hundred dollars, except that
8 an applicant holding a permit pursuant to division I of this
9 chapter shall not be required to pay an additional fee. The
10 application shall be accompanied by a corporate surety bond
11 issued by a surety licensed to do business in this state, in
12 the sum of one thousand dollars, conditioned upon the true and
13 faithful compliance by the distributor with all the provisions
14 of this division and the payment when due of all taxes,
15 penalties and accrued interest arising in the ordinary course
16 of business or by reason of any delinquent money which may be
17 due the state of Iowa. This bond shall be in a form to be fixed
18 by the director and approved by the attorney general. Whenever
19 it is the opinion of the director that the bond given by a
20 licensee is inadequate in amount to fully protect the state,
21 the director shall require either an increase in the amount of
22 said bond or additional bond, in such amount as the director
23 deems sufficient. Any bond required by this division, or a
24 reissue thereof, or a substitute therefor, shall be kept in
25 full force and effect during the entire period covered by the
26 license.

27 Sec. 4. Section 453A.44, subsection 5, Code 2015, is amended
28 to read as follows:

29 5. Each application for a subjobber's license shall be
30 accompanied by a fee of ~~ten~~ fifty dollars, except that no
31 applicant holding a permit pursuant to division I of this
32 chapter shall be required to pay an additional fee.

33 Sec. 5. Section 453A.47A, subsection 7, paragraph a, Code
34 2015, is amended to read as follows:

35 a. All permits provided for in this division shall expire

1 on June 30 of each year. A permit shall not be granted or
2 issued until the applicant has paid the fees provided for in
3 this section for the period ending June 30 next, to the city or
4 county granting the permit. The fee for retail permits is as
5 follows when the permit is granted during the month of July,
6 August, or September:

7 (1) In places outside any city, two hundred fifty dollars.

8 (2) In cities of less than fifteen thousand population,
9 three hundred seventy-five dollars.

10 (3) In cities of fifteen thousand or more population, ~~one~~
11 five hundred dollars.

12 Sec. 6. Section 453A.47A, subsection 10, paragraph b, Code
13 2015, is amended to read as follows:

14 b. Every retailer shall, when requested by the department,
15 make additional reports as the department deems necessary and
16 proper and shall at the request of the department furnish
17 full and complete information pertaining to any transaction
18 of the retailer involving the purchase or sale or use of
19 tobacco, tobacco products, alternative nicotine products, or
20 vapor products. The director shall specifically prescribe the
21 forms necessary and require each retailer to provide on the
22 forms prescribed full and complete information pertaining to
23 any tobacco, tobacco products, alternative nicotine products,
24 or vapor products offered for sale or sold by the retailer,
25 including the type and brand of the product.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 This bill relates to the permit fees for distributors,
30 subjobbers, and retailers of tobacco products and to permit
31 fees for cigarette distributors, vendors, wholesalers, and
32 retailers. The bill also includes provisions relating to
33 reporting requirements of tobacco products and cigarettes.

34 CIGARETTES. Under current law, the fee for permits for
35 cigarette distributors, vendors, and wholesalers is \$100,

1 annually, for permits issued in the first quarter of the state
2 fiscal year (July, August, or September). Under the bill,
3 this fee is increased to \$500, annually. Under current law, a
4 cigarette distributor, vendor, or wholesaler is subject to a
5 payment of \$5 for the issuance of a duplicate state permit for
6 any additional place of business. Under the bill, this fee is
7 increased to \$25.

8 Under current law, the fee for permits for cigarette
9 retailers, annually, when issued in the first quarter of the
10 fiscal year is \$50 for places outside any city, \$75 for cities
11 of less than 15,000 population, and \$100 for cities of 15,000
12 or more population. Under the bill, the permit fees are
13 increased to \$250 for places outside any city, \$375 for cities
14 of less than 15,000 population, and \$500 for cities of 15,000
15 or more population.

16 For cigarette distributors, vendors, wholesalers, and
17 retailers, current law provides for reduced prorated fees to be
18 charged based on the quarter in which the permit is issued, and
19 also provides for the issuance of a prorated refund based on
20 the quarter in which the permit is surrendered if the permit
21 was issued to a permit holder who paid the full annual fee and
22 surrenders an unrevoked permit during the first nine months
23 of the state fiscal year, based upon the quarter in which the
24 permit is surrendered. The bill retains the provisions for
25 proration of the fees for issuance of the permits and for
26 prorated refunds on the same terms and at the same level as
27 current law.

28 TOBACCO PRODUCTS. Under current law, a distributor
29 of tobacco products is subject to a fee of \$100 for a
30 distributor's license, except that an applicant who holds
31 a permit under division I of Code chapter 453A (cigarettes
32 and alternative nicotine products and vapor products) is not
33 required to pay an additional fee. The bill increases the fee
34 to \$500.

35 Under current law, a tobacco products subjobber is subject

1 to a license fee of \$10, except that an applicant holding a
2 permit pursuant to division I of Code chapter 453A (cigarettes
3 and alternative nicotine products and vapor products) is not
4 required to pay an additional fee. The bill increases the fee
5 to \$50.

6 Under current law, an annual permit for a tobacco products
7 retailer issued in the first quarter of the state fiscal year
8 is \$50 in places outside any city, \$75 in cities of less than
9 15,000, and \$100 in cities of more than 15,000. Under the
10 bill, these amounts are increased to \$250 in places outside any
11 city, \$375 in cities of less than 15,000, and \$500 in cities of
12 more than 15,000.

13 Under current law, tobacco products retailer permit fees
14 are reduced on a prorated basis based on the quarter of the
15 fiscal year in which they are granted and refunds are issued
16 on a prorated basis based upon the quarter of the fiscal
17 year in which they are surrendered. The bill retains the
18 provisions for the proration of the fees for the issuance of
19 tobacco products retailer permits and for prorated refunds on
20 the same terms and at the same levels as current law. If any
21 permit is granted during the month of October, November, or
22 December, the fee shall be three-fourths of the above maximum
23 schedule; if granted during the month of January, February, or
24 March, one-half of the maximum schedule; and if granted during
25 the month of April, May, or June, one-fourth of the maximum
26 schedule.

27 CIGARETTE AND TOBACCO PRODUCTS RETAILERS REPORTING. The
28 bill directs the director of revenue to specifically prescribe
29 the forms necessary and require each cigarette or tobacco
30 products retailer, as applicable, to provide on the prescribed
31 forms full and complete information pertaining to any
32 cigarettes, alternative nicotine products, vapor products,
33 tobacco, or tobacco products offered for sale or sold by the
34 retailer, including the type and brand of the product.